

**A SCOTTISH LABOUR MARKET BOARD?<sup>(1)</sup>**

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**Introduction**

For a government supposedly committed to reducing its role in the running of the economy, the present government has intervened in the labour market to an unprecedented extent. While the underlying objectives of this intervention and the details of the training schemes involved have been open to some debate and criticism, the role of the Manpower Services Commission (MSC) in this strategy has largely gone uncriticised.

Recent developments such as the implementation of a two-year Youth Training Scheme (YTS), the extension of the Community Programme (CP), and the increasing role envisaged for the MSC in education policy require to be analysed and assessed. In addition the commitment of the Labour Party to a Scottish Assembly and the issue of their own policy document on training, highlights the need for urgent debate on a Scottish alternative policy.

This article will, therefore, critically examine MSC practice and suggest an alternative strategy for Scotland based on the democratisation and decentralisation of training policy.

**The Growth of MSC**

The MSC was set up by the Heath Government's Employment and Training Act of 1973. Its formation, structure and remit were heavily influenced by the TUC. The MSC enjoyed all party support. Since 1973, it has grown from a small coordinating body with about 40 staff to become a major part of the Department of Employment Group with over 20,000 civil service staff and an annual budget of over £2bn<sup>(2)</sup>. Most of this growth has occurred since 1978 when the Callaghan government began to worry about rising unemployment<sup>(3)</sup>. Growth has been rapid under the Thatcher Governments, particularly once an initial ideological hostility to the MSC was overshadowed by the pressing need to respond to youth unemployment and inner city riots. However, if Tory attitudes to MSC have changed so too has the Tory approach to economic policy more generally.

Up until 1981/82, the Conservative government's main stated economic objective was the control of inflation. From the 1981/82 period, government statements increasingly referred to the need for strong supply side measures to break up rigidities in the labour market and help make that market function more freely. High real wages and institutional rigidities were held to be responsible for unemployment. In this period, when Norman Tebbit was Employment Secretary, government statements began to endorse either the classical or the new-classical explanations of unemployment<sup>(4)</sup>. Real wages would have to decline if workers were to "price themselves" back into work. It is within this ideological framework that MSC schemes, which paid subsistence allowances and in some cases undermined collective bargaining, began to acquire a strategic significance.

In 1981, the MSC launched a consultative document on a New Training Initiative (NTI). It is through the NTI that MSC has moved from being a marginal agency providing ad hoc responses to unemployment, to having a central role in the New Right labour market strategy. This new role has helped to bring hundreds of thousands of (primarily) working class people into contact with the MSC, and has shifted the MSC from the margins to the centre of political debate on economic policy<sup>(5)</sup>. Within months of its launch, the NTI had secured government backing, as Ministers saw in it a vehicle for policies aimed to strengthen the interests of employers in the labour market and reduce wage expectations at least in some sectors of the economy.

### The New Training Initiative

The New Training Initiative has been widely discussed and reviewed<sup>(6)</sup>. Its central objectives are to modernise skill training, to offer some training and work experience to all school leavers not in full time education, and to improve adult training opportunities. Initially these attracted widespread support and very little criticism - although some of the proposals in Norman Tebbit's White Paper<sup>(7)</sup> which appeared to point to the industrial conscription of young people were vigorously and successfully contested, particularly by the trade union movement<sup>(8)</sup>. The main programmes of the NTI - the Youth Training Scheme (YTS) the Community Programme (CP) and the Adult Training Strategy (ATS) retain widespread support, but are increasingly criticised as more and more working class people came into contact with them, as employers question the immediate relevance of NTI to their needs, and as sections of the labour movement come to see NTI as a framework for deregulation and privatisation in the labour market and in education.

### MSC in Scotland

The closure by government of most of the industrial training boards, the collapse of apprentice training and cuts to further education are transforming the MSC into the main training agency, even though most of the "training" which it offers is little more than work preparation. In less than 5 years the MSC has acquired a central policy role and completely altered the topography of skill training in Scotland as in the rest of Britain<sup>(9)</sup>.

The MSC is controlled in policy terms from its Sheffield headquarters, and from the Department of Employment. In 1979, in deference to the prevailing national mood, day to day oversight of MSC in Scotland was transferred to the Scottish Office. This does not make MSC policies in Scotland significantly different. It does, however, make Scotland unique in Western Europe in that one Scottish Office Minister is responsible for education, training and industry. The degree of civil service coordination which this should imply may be useful to any attempts to pursue a distinctly Scottish alternative strategy. Only in the overlap between MSC activity and further education is Scotland significantly different from Britain. Here, through the 16+ Action Plan, Scotland is widely praised by government ministers for leading the way in implementing the "new vocationalism"<sup>(10)</sup> with its clear attacks on comprehensive principles and on general education. The Scottish labour movement generally feels that 16+ arrangements in Scotland have helped keep the MSC at bay to an extent not possible in England and Wales. In England and Wales, where education authorities are felt to be dragging their feet, government gave the MSC direct control over 25% of the budget for Non-Advanced Further Education in 1985 in order to push through the kind of developments already taking place in Scotland.

In Scotland in 1984/85 over 85,000 people entered the main MSC programmes. The increases to the Community Programme which were announced in the Budget speeches of 1985 and 1986, together with the extension of the YTS to a two-year programme from April 1986, will take that figure to well over 100,000 in 1986/87.

Although staffing levels have been squeezed by Rayner-type reviews, the MSC had over 2,300 staff in Scotland in 1984. MSC expenditure in Scotland is substantial, although lack of information on programmes not decentralised to the Scottish Office prevents us from knowing the true total. Identifiable MSC expenditure in Scotland in 1984/85 was £128.9m<sup>(11)</sup>

The main opposition parties' criticisms of government policy often focus on an alleged under-resourcing of programmes like the YTS. This suggests that non-Conservative governments would set out to plan increases in MSC expenditure. Surprisingly there has been almost no criticism of the philosophy of MSC programmes, and the operation and role of the MSC itself.

### What is wrong with MSC?

There is a growing feeling – amongst trade unionists, educationalists and those on MSC schemes – that the current operations of MSC are seriously flawed in a number of respects. Many now feel that MSC itself is so clearly identified with the defects of its own programmes as to make it quite unsuitable as a vehicle for alternative policies likely to win popular support.

MSC schemes are cloaked in rhetoric about “local responsiveness” “local delivery” and the importance of “local labour market needs”. Increasingly though MSC is viewed as a highly centralised agency implementing policies determined (often without consultation) at the headquarters in Sheffield or by Department of Employment Ministers. MSC Area Offices are seen simply as conduits for these centrally determined policies. The tripartite advisory Area Manpower Boards are seen as toothless and their appointed members as unrepresentative of community feeling. MSC as a whole is believed to care little about community, local or even regional needs, and in some of its schemes to pose a threat to local democracy. In Scotland, recent opinion polls conducted by the Campaign for a Scottish Assembly have put MSC responsibilities high on the list of matters to be fully devolved to a democratically elected Assembly.<sup>(12)</sup>

MSC schemes are widely used by private and public employers as a subsidy for temporary labour. The effects of this use are to casualise and destabilise formerly secure areas of work. In some cases MSC “opportunities” actually destroy jobs. The Community Programme in Scotland is 75% based in local authorities with about 25% in the voluntary sector. Within the CP long term unemployed adults are offered a year of low paid, often part-time work experience. The work carried out would in many cases previously have been done by properly employed local authority staff – for example environmental improvement, house insulation, landscape gardening and some personal social services. The Youth Training Scheme is employer-based. In Scotland 75% of places are with employers, and two-thirds are in the private sector. Up to three-

quarters of the YTS is “work experience”, which is in the work place and is generally unregulated and unmonitored. On the experience of earlier special programmes like the Youth Opportunities Programme, the work experience element in the YTS will lead to employers widely substituting trainees for paid employees. Research commissioned by the Scottish Council Development and Industry on the YTS in Dundee and Renfrew shows that employers may have displaced workers with trainees in over 90% of cases where they considered it a feasible option.<sup>(13)</sup> MSC's own research shows that as YTS has been introduced for school leavers, the burden of unemployment has been shifted on to older young people.<sup>(14)</sup> The development of the two year YTS will almost certainly worsen these effects as the “additionality rules” which serve to discourage employers from substituting trainees for workers are to be removed.

In so far as the YTS is a labour subsidy, it is unplanned, possibly irrational, and makes little lasting impression on unemployment. The YTS is not intended to offer vocational skills. Rather it is intended to provide a broad work preparation, as a basis perhaps for subsequent skill acquisition. This makes it difficult to link YTS directly with specific economic sectors. The YTS is organised around “occupational training families” (OTFs) which are groupings of tasks held to have common training requirements. MSC's quarterly analysis for Scotland in December 1984 showed 20% of YTS places in the administrative/clerical OTF, 21% in manufacturing and assembly and 17% in personal service and sales. Given the employer-based nature of the YTS, this pattern seems likely to reflect market demand for low-skilled, low-paid labour, rather than any vision of the economy's changing skill requirements – particularly as MSC has denied aiming at any particular distribution of trainees.<sup>(15)</sup> In the two-year YTS the proportion of time spent in off-the-job training is about 20%. While this is low, there may be some move towards more vocationally orientated training within this framework.

The MSC's main programmes – the YTS and the CP – offer low level allowances to participants. The allowances have deliberately been allowed to decline in real value since the special programmes began ten years ago. Through these schemes, the MSC may be seen as setting new, low “reference wages” for particular areas of work. The role of the YTS in displacing apprentice training and pay in negotiated national agreements in construction and electrical contracting reinforces this view. This role of the MSC has not been the subject of public or even tripartite discussion. It is not part of a strategy to redistribute income and work more equitably, and in fact bears most heavily on particular groups of the unemployed and the parts of the labour market to which they are closest. Here the MSC seems

merely an instrument for government attempts to lower real wages and wage earner expectations, and is consistent with the removal of young workers under 21 years of age from Wages Council Orders under the 1986 Wages Act.

Entry to the largest programme, the YTS, is primarily through recruitment by employers. There is growing evidence that employers' traditional practices and prejudices are being mirrored in the YTS. Given the role of the YTS in preparing young people for and channelling them towards broad areas of work, there are growing fears that the YTS may function as a bridge which consolidates pre-market discrimination in the youth labour market. Evidence of the early experience of young women and young black people supports the view that the YTS tends to institutionalise racism and sexism.<sup>(16)</sup>

Despite the considerable sacrifices demanded of participants, there is as yet little evidence that they derive lasting benefits. Most CP participants return to the dole after their year on the scheme. The 40-50% proportion of YTS participants who move on to waged work is not markedly different from the proportions who would have been expected to find jobs without the introduction of the YTS. The schemes may though help particular individuals to improve their prospects, and therefore redistribute the opportunities available to the unemployed.

MSC schemes do not offer skill training or the prospect of recognised and valuable qualifications. The CP has no skill training. While it is shortly to be re-vamped and made part of the new Adult Training Strategy (ATS), this will be on the basis of short work preparation courses and remedial education mostly undertaken in the "trainee's" own time. Attempts in Scotland to make SCOTVEC modules widely available to CP participants will ultimately depend upon MSC flexibility in relation to CP rules and resources. As part of the ATS, traditional high-level TOPS courses have been replaced by shorter Job Training courses. The 20 weeks off-the-job education/training to which participants in the two-year YTS are entitled offer little prospect of achieving qualifications which have any currency in the labour market, as MSC's proposed certification will almost certainly take some time to gain employer confidence.

The collapse of skill training – the closure of most ITBs, the rundown of TOPS, the plans to close "uneconomic" skill centres – has occurred alongside the expansion of MSC. MSC schemes do not provide a substitute for proper vocational training facilities lost elsewhere. The NTI shows no evidence whatsoever of any strategic thinking on the economy's future skill

requirements. A recent report by the SCDI on the main focus of NTI, the YTS, concludes that "YTS by itself is little use"<sup>(17)</sup>.

The government's view seems simply to be that "the market knows best". NTI received official backing because it was believed to offer employers a framework within which they could take control over the processes of skill formation. The government's view is that employers should be able to identify and pay for all job-related, post-YTS training<sup>(18)</sup>. There seems little evidence that this is happening. Even in relatively buoyant sectors, eg information technology and electronics, insufficient employer-sponsored training is taking place and skill shortages are emerging<sup>(19)</sup>.

The government's training strategy has produced a very mixed response from employers. Some, notably in construction, have opposed the non-vocational nature of the YTS and advocated publicly funded skill training through the YTS framework. This argument seems to be gaining force now, as the MSC tries to gain employer support for the two year scheme. In other sectors employers have welcomed the YTS, but primarily for its cheap labour provision rather than its training aspirations. In some industries, NTI is supported by employers because of its implications for industrial relations. In engineering both employers associations and unions have a long experience of collective militancy. The Engineering Employers Federation is reported to view the NTI as primarily about industrial relations issues<sup>(20)</sup>. In industries like construction, road transport, electrical contracting, hotels and catering the YTS has now almost completely extinguished first year apprentice training and its concomitant trade union influence. New national agreements accepted by trade unions recognise YTS as the means of entry to these sectors, removing school leavers from much of the scope of employment legislation and collective bargaining. Indeed whether it was intended or not, the NTI has operated to diminish trade union influence over training and associated labour market policy. Participants on the schemes are unlikely to be directly affected by collective bargaining or to come into contact with traditional trade unionism.<sup>(21)</sup>

The two-year YTS, which started in April 1986 also brings peculiar difficulties for voluntary organisations and local authorities. The new financial arrangements make it extremely difficult for voluntary organisations to participate in the scheme<sup>(22)</sup>. The Scottish TUC protested to the Employment Secretary as voluntary sector schemes in West Scotland closed down<sup>(23)</sup>. At the same time the underfunding of the new scheme by MSC – apparently a deliberate attempt to transfer some of the costs from the Exchequer to employers – created difficulties for financially squeezed

local authorities. A survey conducted by the Convention of Scottish Local Authorities on local authority responses to the new scheme showed Annandale and Eskdale planning to withdraw and Dundee, Tweeddale, West Lothian, East Lothian and Dumbarton continuing to participate only if the additional costs were excluded from Rate Support Grant guidelines<sup>(24)</sup>.

### Examples from Europe

In formulating an alternative strategy which takes account of the above criticism of MSC, it is important to learn from the experience of other countries. Indeed the present government has used the argument that training is practised more extensively by many of our European competitors as a major selling device for its own scheme:

"In total just over half of Britain's young people receive any systematic vocational or education training, compared with nine-tenths in Germany and four-fifths in France"<sup>(25)</sup>.

Some would argue that Britain's lack of competitiveness in world markets can be traced back to a lack of a comprehensive training system<sup>(26)</sup>. But, the government has been most selective in using only certain aspects of other training systems, such as the German system, as a "model" for the YTS.

The "Dual System" of vocational training, which is a combination of practical on-the-job training with an employer and related off-the-job theoretical and general education in a state vocational school, has, it is argued, supplied West Germany's skilled workforce needs with minimal state intervention for many years<sup>(27)</sup>. The training is provided almost entirely at the employers' expense and they are willing to provide 720,000 training places per year. The length of training varies between occupations, but is normally 3 years and the delivery of training is supervised and controlled locally by Chambers of Industry and Commerce and Trade and Craft Associations, which employers are obliged by law to join and which have tripartite representation of employers, employees and education on occupational training committees. The rights and obligations of employers and trainees are laid down by statute; wages are subject to collective agreement; and the qualification received at the end of the traineeship is nationally recognised<sup>(28)</sup>. Thus the German system depends on employers accepting a social responsibility for training young people and provides a key role for trade union consultation and participation.

However, the German system was designed and developed in a climate

of full employment and a consensual approach to industrial relations, and has had serious difficulties in adapting to the recession and rising unemployment within the new climate of public expenditure cuts<sup>(29)</sup>. There have been problems in meeting the demand for training places as unemployment has increased; in overcoming the geographical and occupational mismatch between the jobs available and young people's wishes; the system has been slow in responding to changing conditions; and a growing number of trainees have not found jobs at the end of their training<sup>(30)</sup>. Proposals for changing the funding arrangements from the trade unions and the Social Democratic Party have been strongly resisted by employers and the government. However, the system still has support from those who argue that the level of unemployment would be greater without it.

The German experience illustrates that the problem is not just one of choosing which particular system of training to adopt, but the context within which it is operating. Having a job skill is not a sufficient condition for having a job which, we would argue, requires wider macroeconomic measures and local involvement and initiatives. Webber and Nass argue that the Social-Liberal coalition abandoned its commitment to full employment by the time the coalition collapsed in 1982, and retreated from more active labour market policies not just because of the constraints in formulating and implementing policy, but because of changes in the philosophy of economic crisis management<sup>(31)</sup>.

In comparison, in Sweden, governments have actively pursued full employment and labour market policies, and with unemployment at just over 3%, Sweden has one of the lowest rates of the OECD countries<sup>(32)</sup>.

One reason for the relatively low rate of unemployment in Sweden and other countries put forward by Göran Therborn is:

"Notwithstanding other factors, the existence or not of an institutionalised commitment to full employment is the basic explanation for the differential impact of the current crisis"<sup>(33)</sup>.

Therborn argues further that "successful employment countries" have all pursued expansive Keynesian-type policies accompanied by a consistent monetary policy of low interest rates and nationally specific direct interventions in the market economy. In Sweden this intervention has taken the form of active labour market policy measures.

Sweden has a long history of active labour market policy and in

providing public funds and introducing measures both to bring jobs to the workers and workers to the jobs. In the 1960s and early '70s there was a strong consensus for the view that, in order to maintain full employment, the government should support the rationalization of private business and the restructuring of industry in a socially acceptable form by providing grants for training and re-training and other measures designed to encourage the mobility of labour between expanding and declining sectors. Thus governments accepted the employment consequences of their "removal policy" by introducing measures to influence both the supply of and demand for labour and 'matching measures' to bring vacancies and job-seekers together. The Social Democratic governments of 1932/76 and 1982 strongly supported an active role in labour market policy and the opposition parties in power from 1976/82 actually increased subsidies to industry as the recession deepened<sup>(34)</sup>.

However, the Swedish model was insufficient to maintain a high rate of employment and in the 1970s there was a change in policy direction towards safeguarding the security and location of existing employment in the local labour market, i.e. a shift from a general policy of providing jobs somewhere in the economy to a selective local policy of protecting existing jobs. Again this shift in policy direction had all party support. Measures were introduced to provide increased job protection and to influence the demand for labour through grants and subsidies and job creation programmes. Therefore, while Swedish governments still recognised the need for industrial re-structuring, flexibility and mobility they also responded to the public demand to provide job protection and security at the local level<sup>(35)</sup>.

Their response to the crisis is in marked contrast to the experience in the UK where the cost of re-structuring, flexibility and mobility is being met by the unemployed. The Conservative government's approach was demonstrated in the Chancellor's 1985 Budget speech which proposed further de-regulation in the labour market (decreased employment protection and reform of Wages Councils),<sup>(36)</sup> his statements that macroeconomic policy can do nothing for jobs,

"It is a fallacy that changing policy would help employment. A freer and more robust economy is the only sure route to more jobs".<sup>(37)</sup>

and the 1985 White Paper on Employment which blamed rigidities in the British labour market for the high level of unemployment and which recommended four main ways of improving its operation:- (i) improving the skills of the labour force; (ii) improving costs and incentives; (iii)

improving flexibility; and (iv) improving the freedom of employers from regulation.<sup>(38)</sup>

Sweden's response to the crisis has been to give further security to individuals and restrict the power of employers. In contrast the UK government's proposal is to free employers from regulation and decrease their costs and taxes at the expense of individuals who are paying the cost of the re-structuring process through unemployment.<sup>(39)</sup>

It is within the above context that the Swedish system of training should be viewed. Labour market training is the joint responsibility of the National Boards of education and of Labour Market Policy and has played an important role within the context of the overall economic strategy (again contrast to the UK where the government is implementing a scheme, without a coherent economic strategy for employment).

The Swedish education and training system is based on the principle of recurrent education which was explicitly established by Parliament in 1975, and provides for a high degree of consumer choice. The adult training programmes aim to provide for recurrent education and training possibilities all through working life. Programmes for the unemployed have been extended to include places for "shortage occupations" and the workers receive bursaries of 80-90% of ordinary income after taxes. Training councils (with representatives from municipal authorities, the labour market administration, employers and trade unions) in the 25 counties annually submit plans for the courses to be arranged in the coming year to the central authorities.<sup>(40)</sup>

The majority of young people in Sweden (90-95%) enter Upper Secondary Schools after finishing their compulsory schooling at the age of 16. The USS system is organised into "lines", e.g. general, scientific, technical or vocational. Most lines last for two years and others for three or four years. The education system is run with the close involvement of employers and trade unions.<sup>(41)</sup>

In recognition of discrimination in the labour market attempts have been made at positive discrimination in the compulsory school curriculum since the 1960s, a perceived achievement of this policy being that in 1985 25% of the technology (chemical, mechanical and electro-engineering and building) line students were girls.<sup>(42)</sup> Further, as a response to concern over the effect of the recession in particular on the employment of young women, the National Board of Education launched a central campaign in January 1982 aimed at making all young persons more aware of the

connections between educational choice and employment prospects, building on this campaign in 1983 through advertising, films, TV spots, posters, etc. Their objective was to influence young people and their parents in their choice of subjects and future prospects, and in particular to draw attention to the fact that girls' educational choice may affect their future economic independence:

"Everybody needs the right to a job and to economic independence and girls must be made aware of the risks they are running through their excessively narrow range of educational and occupational choices".<sup>(43)</sup>

Specific measures for the disabled, another group often discriminated against in the labour market, have increased in recent years and now account for one-third of total expenditure on active labour market policies.<sup>(44)</sup>

In 1980 a government commission was appointed to review labour market training. It recommended a stronger decentralisation of decision-making to county boards mainly co-operating with the labour market authorities with lessening of influence by the central school board and stronger attention to the variations in the labour market situation and local needs. Again this is in marked contrast to the situation in the UK, where the trend is towards even further centralisation.

Unfortunately, the alternative policy on offer in Britain from the main opposition and the TUC has largely been confined to criticisms of the details of the present schemes and recommending improvements with no vision of a radical popular alternative.

### **The Labour Party/TUC Alternative**

As discussed above, there existed a remarkable consensus between the political parties and the TUC over training policy. Criticisms from the Labour Party and the TUC were mainly confined to points of detail, e.g. the payment made to the trainees and whether or not their participation in the scheme was to be compulsory. In Scotland the STUC may have distanced itself more from MSC structures, but this of course has little effect on policies which are centrally developed in Whitehall and Sheffield.

"A Plan for Training", published in July 1984 by the TUC-Labour Party Liaison Committee, was submitted to the TUC and Labour Party Conferences in 1984. It criticised the government for "its use of state power

to undermine the independence and representative character of the MSC",<sup>(45)</sup> but overall the document is very pro MSC and the NTI is seen as a bold and progressive step initiated by the MSC and undermined by the government. By implication, everything would be alright with a change of government and if the MSC was left to get on with the job. This view is reflected in some Labour Party publications which argue for improvements to some of the *details* of MSC programmes but assert that:

"Labour is committed to giving the MSC the resources it needs to get on with the job".<sup>(46)</sup>

More recently however, Barry Sheerman, Labour's front-bench spokesperson on training policy, has published a pamphlet on the reform of education and training which, to an extent, moves beyond the traditional uncritical loyalty which the TUC and Labour Party have shown to MSC. A number of possible options for a future Labour government are outlined, including the traditional one discussed above. However, the pamphlet as a whole is surprisingly critical of MSC and has central concerns, e.g., equal opportunities and positive action, which are almost completely absent from MSC's agenda. While there is no discussion of the situation in Scotland, one of the options proposes a decentralised system of the type which we favour.<sup>(47)</sup>

A document produced by the TUC-Labour Party Liaison Committee – "People at Work: Rights and Responsibilities" – for the 1986 Congress and Labour Party Conference, argues for the right of individual workers to establish training committees in their workplaces and the right to paid leave for education and training for the employed and unemployed. In addition the document states that equal opportunities will be a central theme of a new training and retraining strategy with emphasis on positive action to improve employment opportunities for women and black workers.<sup>(48)</sup> The strategy document adopted by the 1986 STUC contained a section dealing with the labour market and training. It also places considerable emphasis on improving the rights of individual workers, but leaves open the issue of the place of the YTS in future strategy as "still to be clarified." One of the options canvassed by the document coincides with our view in proposing a more autonomous MSC made directly responsible to a Scottish Assembly.<sup>(49)</sup>

### **A Democratic Alternative for Scotland**

A Scottish alternative policy needs to recognise Scotland's distinct educational traditions. It also needs, we would argue, to move sharply away

from current obsessions with making education more “relevant” to private firms’ short-term needs.

Training policy is not merely about educational and labour market objectives. Crucially it is about power in the labour market and in the economy. At present, by building on pre-market discrimination and disadvantage, MSC schemes encourage the reproduction of structural inequalities. These are of course widely and increasingly challenged – by women, by black people and by youth. The left, in its concern to promote a democratic economy needs to recognise that:

“a training strategy is more than just an economic measure designed to produce the necessary skills in the workforce. It can also be a mechanism for helping to ensure social advance. Both of these aspects are equally important when it is used as one of a number of measures aimed at the development of an equal, full-employment society”.<sup>(50)</sup>

In formulating an alternative policy for Scotland, lessons can be learned from the experience of the GLC. In London between 1981 and its abolition in March 1986, the GLC implemented an alternative job creation and training strategy. The strategy was implemented through two main executive arms<sup>(51)</sup> – the job-creating Greater London Enterprise Board (GLEB) and the Greater London Training Board (GLTB). The twin objectives promoted by the GLTB were “training for social advance” and “training for skills”. The GLTB invested in skill, providing the kinds of high quality training which the MSC was abandoning, and used its initiatives actively to promote the interests of those traditionally denied access to skill training – women, ethnic minorities, and people with disabilities. Although the available resources were limited – £30m and £7m were available annually to the GLEB and GLTB respectively – radical alternatives have been proved both to be possible, and in many cases cheap (for example, in comparison with the cost of unemployment and of some MSC training programmes). The GLTB was a full GLC Committee, yet was also open to broader pressures through co-options from community groups, the regional TUC, the women’s movement and the Chamber of Commerce.<sup>(52)</sup>

We would, therefore, argue, following the GLC, for a strategy which recognises that training must be responsive to the needs of the community, relevant to the needs of the economy, and for training provisions which are closely linked to job creation and investment strategies. The objectives of an interventionist strategy of job creation and investment would be the modernisation and democratisation of the economy. The modernisation we

seek is not just concerned with modernising production techniques and improving and up-dating skills to make production more efficient, although this is important. We would wish to go beyond this narrow interpretation and modernise our production to reflect the needs of labour and the whole community. This would be supported by democratising decision making, not only by involving workers within their enterprise, but through the involvement of people as workers and users in the planning of all aspects of the economy, where the provision of goods and services meets their needs and demands and are not delivered in a paternalistic fashion. A broad approach to education and training is an extremely important component of the strategy.

An alternative training programme should also recognise and incorporate the following criteria:

- i) The training must be of high quality, of relevance to a modern economy, and be to nationally recognised standards at negotiated rates of pay.
- ii) Education and training must be more closely related around consistent and compatible objectives. We must develop a policy for recurrent education for the employed and unemployed with no artificial age or qualification barriers and which offers real choice and flexibility for students.
- iii) Vigorous equal opportunity policies are vital, and must include a commitment to positive anti-racist recruitment, flexible hours, part-time courses, and creche facilities. Training methods must recognise and build on trainees’ experience, and must be anti-racist and anti-sexist.
- iv) All sections of the community, including trainees, should be actively involved in assessing training needs, planning provision and monitoring; and training and educational institutions must be restructured to reflect this new and participative approach.

This will require a fundamental re-think of education and training policy and institutions, the distribution and organisation of work, and the ways in which skill is defined, measured and rewarded. In this respect, the experience of the GLC and other local initiatives is invaluable. They have shown that locally developed and accountable policies can meet skill needs better than employer-led strategies, and help to democratise the economy.



The broad support in Scotland for a Scottish Assembly and the commitment from the Labour Party and the STUC, provides the opportunity to re-think policies in the Scottish context and to move away from the legacy and constraints imposed by the MSC. A Scottish Assembly with strong revenue raising powers and its own Labour Market Agency could develop a new more open labour market policy which is based on the full involvement of workers and users, and which forms the necessary links with its other industrial and employment strategies. Other European countries and the GLTB offer models from which we may draw.

The role of the centre – the Scottish Assembly – is to create a strong framework within which local communities may work towards a genuine democratisation. We see the keys here as the extension of individual legal rights in employment, in education and in training; in the promotion of legislation which encourages (rather than discourages) positive action for women, ethnic minorities and young people; and in the provision of funds. A Scottish Assembly should raise funds specifically for training and job creation. A substantial portion of these funds should be locally available for locally determined projects. However, one obstacle to achieving this decentralisation may turn out to be the traditional centralism of the labour movement itself.

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